

FY2024 Q3

DISCO's Tidbits

February 2025

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We cannot answer questions regarding specific customers.

Please note that we cannot answer questions that may lead to the prediction of a specific customer's manufacturing process, production capacity, inquiry and investment trends, confidential production information, etc.

Each semiconductor manufacturer may have different technologies and manufacturing processes, which constitute confidential production information of each company.

In principle, we do not provide answers regarding specific customers' orders, equipment specifications, throughput, etc.

- ✓ Demand for power semiconductors is on an increasingly downward trend as the shift to EVs is slowing down.
- ✓ Demand for logic and packaging technology geared towards generative AI is increasing (amount is not disclosed).
- ✓ Equipment demand for mass production (PCs, smartphones) has not recovered.
- ✓ OSAT investment trends vary by region.
- ✓ There are no significant changes in the competitive environment.

Composition Ratio of All Equipment (Shipment Basis)



Composition ratio of all equipment (Shipment Basis)

		FY24			(Forecast)
		Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar
Customer	OSAT	Slightly less than 30%	30%	20%	25%
Application	Memory *	Slightly more than 30%	35%	Slightly more than 30%	30%
	Power	20%	20%	15%	15%
	Si	5%	Slightly less than 10%	5%	-
	SiC	15%	Slightly more than 10%	10%	-

* Including generative AI related

■ Actual results (October–December)

High-level GPM continued.

High value-added projects continued contributing to the results.

■ Profit plan (January–March)

Our fundamental way of thinking is the same as before.

- QoQ: approx. -2p
*This plan was formulated based on the previous year's trend (FY23).
- The GPM plan was formulated by adjusting the exchange rate based on the product group (dicer, laser, grinder, etc.) and/or regional trends.
- There are no negative factors although a detailed profit plan for individual cases has not been calculated.
- There is a possibility that performance-based expenses will increase slightly. (For details, please see SG&A expenses on the next page.)

■ Actual (October-December): 27.5 billion yen → In line with expectations (our plan)

■ Forecast (January-March): 31.5 billion yen

SG&A increased due to our change in calculation method of provisions for performance-based bonuses (including temporary increase).

Conventional: calculate provisions from profits of inspection/acceptance based PL (financial accounting)
→ Performance-based provisions not closely market-linked

New: CF-based shipment PL

(calculate profit/loss based on projects that have received payment* and been shipped)

→ Bonus provisions close to market-linked

*Timing of payment varies from case to case and may involve advances received before shipment, payment from customers after shipment, etc.

Changes in sales in the inspection/acceptance based PL will not be linked to changes in SG&A.

Expenses for the January-March period will be larger due to the impact of the change in the provision calculation method.

From next fiscal year, SG&A is expected to increase/decrease in link with quarterly shipments to some extent.

There have been no significant changes over the past 3 months.

- ✓ The company is considering purchasing land in preparation for large capital investments such as factory expansion in the future.
- ✓ Decided to construct a new building at the Haneda R&D Center (Investment amount: Approx. 13 billion yen, from FY25)
→ CAPEX level is expected to increase next fiscal year (FY25).
- ✓ Facility investment amount increased due to purchase of R&D equipment, etc. Smaller capital investments such as expansion of branch offices and dormitory facilities are being made as needed.

FY24 Forecast

- | | | |
|---------|------------------------|--|
| • CAPEX | Approx. 16 billion yen | Investments for rationalization of manufacturing facilities, R&D, etc. in addition to site acquisition, etc. |
| • DEP | Approx. 12 billion yen | Mostly flat or slight increase due to manufacturing facility enhancement |
| • R&D | Approx. 32 billion yen | Due to an increase in personnel and development themes |

These materials

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Notation

The yearly accounting period from April of the current year to March of the following year is denoted by FY (Fiscal Year), and quarterly accounting periods are denoted by 1Q (April – June), 2Q (July – September), 3Q (October – December), and 4Q (January – March). Depending on the monetary unit, figures lower than the minimum unit may be rounded up or down, as a result of which the total sum may not match.

Percentages are calculated based on the actual figures.

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